

Washington Horse Racing Commission  
Meeting Minutes  
October 14, 2010

The meeting convened at 9:30 A.M. at the Auburn City Council Chambers, Auburn, Washington. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hallowell, DVM, Commissioner; Kate Reynolds, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary. Commissioner Hartly Kruger, absent.

Item #1. Approval of the meeting minutes of September 17, 2010.

Commissioner Colliton moved to approve the minutes as submitted. Commissioner Hallowell seconded the motion. Unanimously approved.

Item #2. Commissioner's report.

Chairman George said he had little to report. He remarked on the quarter horse race and the Blue Mountain Circuit race that had run on September 26<sup>th</sup> at Emerald Downs. He'd heard it went fairly well. Chairman George read from an article that was in the Seattle Times regarding an interview Mr. Ron Crockett, president, Northwest Racing Associates LP had given.

Commissioner Colliton had nothing to report.

Commissioner Hallowell said he'd attended the Wednesday afternoon races and the entire meet closing weekend at Emerald Downs. He felt very positive and upbeat. He credited the WA HBPA (Horsemen's Benevolent & Protective Association) for the festivities arranged for closing weekend. Commissioner Hallowell said even though there was a timing glitch for the quarter horse race, he felt the crowd enjoyed all the events offered.

Item #3. Industry Reports:

a. Emerald Downs.

No one from Emerald Downs was in attendance.

b. WHBPA.

Mr. Ron Maus, president, WA HBPA said he'd been in discussions with Mr. Crockett and Mr. Hodge of Emerald Downs regarding offering more quarter horse races next year. He thanked Commissioner Hallowell for his favorable comments. Mr. Maus commented on the poor handle and attendance for the Wednesday afternoon program and the fact that California didn't take the signal as hoped by Emerald Downs. He said that Mr. Crockett and the HBPA were corresponding with their counterparts in California regarding the Emerald Downs signal not be offered to the California market. Mr. Crockett had collected statistics regarding the disparity in

the handle that Emerald Downs' bettors and the handle the California bettors are wagering and the fact that California will not take Emerald Downs signal many times. At this point, Mr. Maus feels they have made their point to California and things may change in the future.

c. WTBOA.

Dana Halvorson, president, Washington Thoroughbred Breeders and Owners Association said the recent sale was up twenty-two percent from last year. He said there will be a Board meeting the following day.

Item #4. Advance Deposit Wagering – XpressBet's Annual License Renewal.

Mr. Lopez presented the license renewal request. Mr. Lopez said there are no investigations by governmental agency(s) or complaints regarding XpressBet's operations. Staff recommended approval.

Gene Chabrier, director of regulatory affairs for XpressBet was present and spoke on the conclusion of the recent bankruptcy with the parent company Magna Entertainment. Mr. Chabrier said XpressBet was having some difficulty with transactions being turned down through the VISA company and is working with them to be able to offer account wagering transactions through their credit cards.

Commissioner Colliton moved to approve the renewal application of the advance deposit wagering license for XpressBet. Commissioner Hollowell seconded the motion. Unanimously approved.

Item #5. Meeting Dates for 2011.

Mr. Lopez presented the 2011 meeting dates to the Commission for approval.

Commissioner Colliton moved to approve the 2011 meeting dates. Commissioner Hollowell seconded the motion. Unanimously approved.

Item #6. End of the Meet Reports:

a. Stewards' End of the Meet Report.

Kenneth Doll, Presiding Steward presented the end of the meet report. Mr. Doll reported on working with the race office, the jockey colony, the video department, tote board problems, photo finish and timing system problems, security department operations and dealing with financial complaints and track safety violations. Mr. Doll said overall it was a good meet and the stewards were generally able to work out agreements with all parties to solve disputes. He felt the meet was uneventful and ended with the agency staff looking forward to next year.

b. Equine Health and Safety Report.

Dr. Sally Calkins, DVM, Equine Medical Director presented the end of the meet report for the WHRC veterinary department. Dr. Calkins reported on the 2010 equine testing program in which this year fewer samples were sent for testing and the WHRC, as a result saved over \$50,000. Dr. Calkins reported only three medication violations and these were from a permitted medication, Bute. Zero rulings were issued regarding prohibited medication violations. Dr. Calkins reported on horse status at the time of a fatality: 9 while racing; 12 during training; and 10 in the barn. Dr. Calkins reported the status on 2009 staff recommendations; and gave staff recommendations for 2010.

Item #7. Rules of Racing: Adoption Hearing.

a. WAC 260-36-085 License and fingerprint fees.

Doug Moore, Deputy Secretary presented the amendment to raise license fee four percent (rounded to the next whole dollar) for all license types beginning in 2011. Mr. Moore said the WHRC is required to collect the cost of the licensing program. He said most license types will see a \$1.00 to \$3.00 increase. The WA HBPA has agreed to support this increase with the understanding there will be no increases in 2012 or 2013. Staff recommended approval.

Commissioner Hallowell moved to adopt the amendment to WAC 260-36-085 regarding license and fingerprint fees. Commissioner Colliton seconded the motion. Unanimously approved.

BREAK. (11:10 A.M.) RECONVENED. (11:20 A.M.)

Item #8. Executive Secretary's Report:

a. Wagering Recap.

Mr. Lopez provided the Commissioners with wagering reports for September 2010 by month, year and wagering period.

Mr. Lopez said the wagering continues to be down.

b. Monthly Financial Statements.

Mr. Lopez explained the revenues and expenditures and fund balance for the WHRC. Mr. Lopez said the fund balance is down to \$316,807 and the WHRC continues to overspend its revenues.

c. Results of the "Final Fridays" handicapping contests.

Mr. Lopez said in accordance with WAC 260-48-960(7), Emerald Downs has provided the results of the WHRC approved handicapping contests Emerald Downs conducted.

d. Equine Medication Testing 2011-2013.

Mr. Lopez announced the apparent successful bidder for the WHRC equine medication testing program to be Truesdail Laboratories in Tustin, California. Mr. Lopez said there were three submissions: Industrial Lab in Colorado, Iowa State University and a new lab HFL Sports Medication Testing in Kentucky, Dr. Rick Sams is the director.

e. Owner's Bonus/Breeder Awards.

Mr. Lopez presented the breakdown for the distribution of the owner's bonus and the breeder awards.

Mr. Rick Pabst asked about a clarification of the amount of money for the distribution. Mr. Lopez answered the amount of money utilized for the distribution is from the live 2010 meet only.

f. Draft of the November 19, 2010 meeting agenda.

Mr. Lopez gave the Commissioners a draft of the items scheduled for the next Commission meeting.

Item #9. Any other business that may be properly brought before the Commission.

Hearing none.

Meeting adjourned. (11:30 A.M.)

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Robert J. Lopez, Executive Secretary